DESCRIPTION OF TRANSACTION AND PUBLIC INTEREST STATEMENT

I. INTRODUCTION AND SUMMARY

Verizon Communications Inc. ("Verizon") and Straight Path Communications, Inc. ("Straight Path Communications") seek approval to transfer control of spectrum licenses (the "Licenses") held by Straight Path Communications' wholly-owned subsidiary Straight Path, Spectrum LLC ("Straight Path Spectrum" and, together with Straight Path Communications, "Straight Path") to Verizon. The Licenses include 39 GHz and LMDS (28 GHz, 29 GHz, and 31 GHz) millimeter wave licenses.

While a number of companies have announced they will launch 5G services using various spectrum bands, Verizon plans to use millimeter wave spectrum to be the first company to actually do so. Verizon has a strong track record of U.S. industry leadership in advancing wireless technology: it built the first nationwide 4G LTE network and last year it introduced its LTE Advanced network in 461 cities across the U.S., providing up to 50 percent faster peak speeds. And today, Verizon is driving the 5G ecosystem towards rapid commercialization with testing, standards development, fiber deployment and acquisitions for backhaul, and the planned launch of 11 pre-commercial 5G fixed wireless trials this year. Acquiring the Licenses will help enable Verizon to develop and deliver 5G products and services to the public.

In the global race to 5G, the competition is fierce. This transaction is an important opportunity to keep the United States at the forefront, to the benefit of American consumers and the U.S. economy. The FCC should promptly approve the transfer of control of the Licenses to Verizon.

II. DESCRIPTION OF THE APPLICANTS

Straight Path Communications, the transferor, is a Delaware corporation. Straight Path Spectrum is a limited liability company organized under the laws of Delaware. Straight Path currently uses its spectrum to provide backhaul services to wireless Internet service providers and mobile network operators. On January 11, 2017, Straight Path and the Commission's Enforcement Bureau resolved an investigation into allegations of rule violations involving Straight Path's 28 GHz LMDS and 39 GHz licenses. In the resulting order and consent decree, the Bureau stated that it would not pursue action on Straight Path's basic qualifications to hold FCC licenses.[1]

Verizon, the transferee, is a publicly traded Delaware corporation. Verizon is a holding company whose operating subsidiaries provide a wide range of communications services in the United States and throughout the world to consumers, businesses and government customers, as

[1] *Straight Path Communications Inc., Ultimate Parent Company of Straight Path Spectrum, LLC*, Order & Consent Decree, 32 FCC Rcd 284, 285 ¶ 5 (EB 2017) ("*Straight Path Order*").

well as to other carriers. The Commission has previously found that Verizon is fully qualified to control licenses and authorizations.[2]

III. DESCRIPTION OF THE TRANSACTION

The January 2017 consent decree provided a roadmap for quickly putting Straight Path's spectrum in the hands of a company that will use it promptly to develop and deploy 5G.[3] Straight Path engaged the investment banking firm Evercore Group, LLC to conduct an arm's length transaction via auction among possible acquirers. After multiple rounds of bidding, Verizon won the auction.

As a result, Straight Path Communications, Verizon, and Waves Merger Sub I, Inc. ("Merger Sub"), a direct wholly-owned subsidiary of Verizon created for purposes of this transaction, entered into an Agreement and Plan of Merger on May 11, 2017. Merger Sub will merge with and into Straight Path Communications, with Straight Path Communications as the surviving entity. Straight Path Communications will become a wholly-owned direct subsidiary of Verizon. Straight Path Spectrum, the licensee of the Licenses, will become a wholly-owned indirect subsidiary of Verizon.

Verizon will acquire Straight Path's 735 licenses in the 39 GHz band, 133 LMDS (28 GHz, 29 GHz, and 31 GHz) licenses, nine common carrier point-to-point microwave licenses, and one non-exclusive nationwide license in the 3650-3700 MHz band.[4]

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[2] *E.g., Applications of XO Holdings and Verizon Communications Inc. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 31 FCC Rcd 12501, 12506-07 ¶ 13 (WCB/IB/WTB 2016).

[3] *Straight Path Order*, 32 FCC Rcd at 285 ¶ 4. The Consent Decree imposed other obligations on Straight Path, and Straight Path has complied with all applicable obligations to date. On January 12, 2017, Straight Path submitted a status report, accompanied by a request for confidential treatment, notifying the Bureau that, as required, it engaged an investment bank in connection with the transfer of control or assignment of its licenses. And on January 18, 2017, Straight Path submitted a status report, accompanied by a request for confidential treatment, notifying the Bureau that, as required, it submitted applications to the Commission to cancel the licenses (including all Rectangular Service Areas or "RSAs") listed by call sign in Appendix B of the consent decree (*see* ULS File Nos. 0007625942-0007626137). On January 19, 2017, Straight Path received notification that those licenses had been canceled.

[4] Straight Path Ventures, LLC, a wholly owned subsidiary of Straight Path Communications, holds two experimental licenses. A separate transfer of control application for those licenses is concurrently being filed with the Office of Engineering and Technology.

IV. THE TRANSACTION WILL ADVANCE THE DEVELOPMENT OF 5G AND SERVE THE PUBLIC INTEREST

Transferring control of the Licenses to Verizon will advance the Commission's objective to foster innovation in 5G technologies and facilitate the rapid deployment of 5G services and products, to the benefit of American consumers and the U.S. economy. Chairman Pai has urged that "[t]he United States must continue to lead the world in wireless innovation. We led the way in the deployment of 4G LTE, and we must do the same in 5G."[5] To that end, he has pressed the Commission to "allow 5G to develop in the United States as quickly as the technology and consumer demand [will] allow."[6]

Verizon plans to rely on millimeter wave spectrum to meet its aggressive timeline to launch 5G in the United States. As Verizon Chief Network Officer Nicola Palmer noted recently, "[t]he next big technological innovations are coming in 5G to serve the future needs of business, education, government and consumers. Enhanced fixed and mobile broadband, low-latency services and massive IoT scale will thrive on mid-band and millimeter wave spectrum, which is where we are focused for growth."[7]

To deploy 5G quickly, companies will use spectrum either in these bands or others.[8] As the Commission found in the 2016 *Spectrum Frontiers Order*, the short wavelengths and wide bandwidths of the 28 GHz LMDS and 39 GHz bands, as well as other millimeter wave spectrum, are potentially useful for 5G.[9] That order created a new flexible use service in the 28 GHz LMDS, 37 GHz, and the 39 GHz bands and adopted important new rules to encourage use of these millimeter wave bands to foster 5G deployment. And here, as the Enforcement Bureau noted, the sale of the Straight Path spectrum "will ensure that these licenses are put into

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[5] Ajit Pai, Chairman, FCC, Remarks at the Carnegie Mellon University's Software Engineering Institute: *Bringing the Benefits of the Digital Age to All Americans*, at 7 (Mar. 15, 2017) ("Pai Carnegie Mellon Speech"), https://apps.fcc.gov/edocs_public/attachmatch/DOC-343903A1.pdf.

[6] *Use of Spectrum Bands Above 24 GHz for Mobile Radio Services*, Notice of Proposed Rulemaking, 30 FCC Rcd 11878, 12012 (2015) (Statement of then-Commissioner Ajit Pai).

[7] News Release, Nicola Palmer, Verizon, *Unparalleled network leadership by doing* (Apr. 28, 2017), http://www.verizon.com/about/news/unparalleled-network-leadership-doing.

[8] *See, e.g.*, Neville Ray, T-Mobile, *Setting the 5G Record Straight: Announcing Plans of Nationwide 5G from T-Mobile* (May 2, 2017), https://newsroom.t-mobile.com/news-and-blogs/nationwide-5g-blog.htm ("T-Mobile Blog").

[9] *See Use of Spectrum Bands Above 24 GHz for Mobile Radio Services*, Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 8017, 8020 ¶ 6 (2016) ("*Spectrum Frontiers Order*").

beneficial use as quickly as possible, by promoting the rapid and widespread deployment of innovative wireless technologies to the public's benefit."[10]

The Commission should build on its *Spectrum Frontiers Order* to help enable U.S. companies to lead the way in bringing the benefits of 5G to American consumers, businesses, institutions, and government as soon as possible. With South Korea, China, and Japan, among others, vying to seize the next generation wireless broadband mantle from the United States,[11] the Commission should act expeditiously to help the U.S. stay ahead.

In short, proposed secondary market transactions such as this one will transfer spectrum to companies ready and able to use it for 5G in the short term. Verizon is ready to move forward. In fact, Verizon is leading the way on 5G in the United States, having already:

- Performed real-world 5G testing in Texas, Oregon, and New Jersey by February 2016, successfully demonstrating multi-gigabit per second speeds in both fixed and mobile applications.[12]

- Launched the 5G Technology Forum ("5GTF") to enable world-class companies to work collaboratively to drive technical standards for 5G.[13] The 5GTF forum partners have collaborated to create 5G technical specifications that include, among others, standards for radio access, multiplexing and channel coding, radio link control layer procedures and

[10] *Straight Path Order*, 32 FCC Rcd at 285 ¶ 4.

[11] *See Spectrum Frontiers Order,* 31 FCC Rcd at 8281 (Statement of Commissioner Michael O'Rielly).

[12] Roger Cheng, *Inside Verizon's Vision of Smokin' 5G Speeds*, CNET (Feb. 21, 2016), https://www.cnet.com/news/verizon-5g-inside-field-test-smokin-super-fast-speeds/ (detailing an in-the-field test of Verizon 5G technology where the "5G connection maxed out at 3.77 gigabits a second, 377 (yes, 377) times faster than a typical 4G LTE connection"); Sue Marek, *Verizon's 5G Tests Hit 10-Gig Speeds, Commercial Deployment in 2017 Possible*, Fierce Wireless (Feb. 22, 2016), http://www.fiercewireless.com/tech/verizon-s-5g-tests-hit-10-gig-speeds-commercial-deployment-2017-possible (noting that 5G tests include both fixed and mobile 5G in both indoor and outdoor environments and at both residential and commercial buildings).

[13] *See, e.g.*, News Release, Verizon, *Verizon 5G Trials Driving Ecosystem Towards Rapid Commercialization* (Feb. 22, 2016); *Accelerating the Pace of Innovation*, Verizon 5G Technical Forum, http://www.5gtf.net/ (last visited May 31, 2017).

protocols, radio resource control layer procedures and protocols, and physical channels and modulations standards.[14]

- Completed 5G radio specifications in mid-2016, the first U.S. carrier to do so.[15]

- Acquired XO Communications to extend its fiber network for wireless backhaul and other uses. Verizon also recently announced it will invest $1.05 billion to purchase over 37 million miles of fiber over the next three years needed to support 5G and other broadband services.[16]

- Commenced plans to test 5G service to pilot customers in 11 markets across the U.S. this year, using the LMDS spectrum leased from Nextlink Wireless LLC ("Nextlink").[17]

This proposed transaction will help position Verizon to deliver 5G.[18] Approval of this transaction will facilitate Verizon's continued investment, innovation, and deployment of 5G technology that will benefit the U.S. economy and the millions of consumers, businesses, and

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[14] *See, e.g., Verizon 5G TF; Air Interface Working Group; Verizon 5th Generation Radio Access; Physical Channels and Modulation (Release 1)*, V5GTF (Oct. 2016), http://www.5gtf.net/V5G_211_v1p7.pdf.

[15] News Release, Verizon, *Verizon is First U.S. Carrier to Complete 5G Radio Specifications: Pre-Commercial Trials Continue Full Steam Ahead* (July 11, 2016), http://www.verizon.com/about/news/verizon-first-us-carrier-complete-5g-radio-specifications-pre-commercial-trials-continue-full.

[16] News Release, Verizon, *Verizon Agrees to $1.05 Billion Three-Year Minimum Purchase Agreement With Corning for Next-Generation Optical Solutions* (Apr. 18, 2017), http://www.verizon.com/about/news/verizon-agrees-105-billion-three-year-minimum-purchase-agreement-corning-next-generation.

[17] News Release, Verizon, *Verizon to Deliver 5G Service to Pilot Customers in 11 Markets Across U.S. by Mid 2017* (Feb. 22, 2017), http://www.verizon.com/about/news/verizon-deliver-5g-service-pilot-customers-11-markets-across-us-mid-2017; Diana Goovaerts, *Exclusive: Verizon Dishes Everything You Want to Know About Its Pre-Commercial 5G Trials*, Wireless Week (Dec. 16, 2016) (enabled in part by "the carrier's deal with XO Communications … [which] gave it the ability to lease 28 GHz spectrum in multiple markets around the country").

[18] Likewise, as explained in a separate application, Verizon Wireless's acquisition of the licenses that it currently leases from Nextlink is also an important piece of the puzzle for Verizon's development and deployment of 5G. *See* Application to Transfer Control of Nextlink Wireless LLC from XO Holdings to Cellco Partnership d/b/a Verizon Wireless, ULS File No. 0007765708 (May 11, 2017).

government users that increasingly rely on wireless broadband and soon, 5G. And it will spur others in the race to deliver 5G across America.

V. THE TRANSACTION WILL HAVE NO ADVERSE COMPETITIVE EFFECTS

This acquisition creates no public interest harms. Deploying this currently underutilized spectrum for advanced new services does not raise any anticompetitive risks or otherwise reduce competition.

First, this transaction is part of the intense competition among wireless companies to develop and deploy 5G services using a variety of spectrum resources. Verizon is committed to commercial deployment of 5G in 2018, making it the first U.S. provider to introduce commercial 5G services. T-Mobile asserts it will have the country's first nationwide mobile 5G network, leapfrogging other providers.[19] AT&T claims to have aggressive 5G evolution plans to "pave the way to the next-generation of higher speeds for customers."[20] Sprint has announced it will provide 5G in 2019.[21] And DISH plans to build out a 5G-capable network "focused on supporting IoT by March 2020."[22] Others are gearing up for 5G as well.[23] This competition in

[19] T-Mobile Blog.

[20] News Release, AT&*T, 5G Evolution, AT&T Fiber, and Trials Advance Network Built for Video and Data,* (Jan. 4, 2017), http://about.att.com/story/att_details_5g_evolution.html.

[21] News Release, Sprint, *Qualcomm, SoftBank and Sprint Announce Collaboration on 2.5 GHz 5G* (May 10, 2017), http://newsroom.sprint.com/news-releases/qualcomm-softbank-and-sprint-announce-collaboration-on-25-ghz-5g.htm.

[22] DISH Network Corp., DBSD Services Limited, Gamma Acquisition L.L.C., and Manifest Wireless L.L.C., Consolidated Interim Construction Notification, ULS File No. 0007690846, at 4-6 (Mar. 7, 2017) ("DISH Interim Construction Notification").

[23] *See, e.g.,* News Release, U.S. Cellular, *Nokia and U.S. Cellular test 5G technologies for fixed wireless* (Oct. 12, 2016), https://www.uscellular.com/about/press-room/2016/Nokia-and-USCellular-test-5G-technologies-for-fixed-wireless.html ("We're excited with this successful 5G testing with Nokia conducted at 28GHz and have seen very promising results, including 5Gbps speed, ultra-low latency under 2 ms and multiple 4k video streams."). Charter has made steps toward 5G, filing applications to begin 28 GHz 5G experiments in Florida. *See* CCO Fiberlink, LLC, FCC Form 442, File No. 0180-EX-CN-2017, Exhibit 1 (Apr. 4, 2017) (noting that Charter's testing is being conducted "in anticipation of 5G wireless development").

the 5G space is good for American consumers and the U.S. economy. As Chairman Pai stated, "when it comes to 5G, the United States is committed to moving full speed ahead."[24]

Second, Verizon's acquisition of the Licenses, together with its pending Nextlink transaction, will not cause competitive harm. In some counties Verizon will be above the millimeter wave spectrum threshold set out in last year's *Spectrum Frontiers Order,* but a close look at marketplace developments and competitive circumstances reveals no risk to competition. While the Commission adopted a 1250 MHz threshold for secondary market transactions involving the 28 GHz LMDS, 37 GHz, and 39 GHz bands as it would "help[] to identify those markets that provide particular reason for further competitive analysis," analysis of the transaction here demonstrates no cause for concern.[25]

Given the nascent stage of 5G development on a multitude of spectrum bands in the United States, adhering to an arbitrary threshold of certain millimeter wave frequencies makes little sense. Chairman Pai and Commissioner O'Rielly previously recognized as much. In his separate statement to the *Spectrum Frontiers Order*, then-Commissioner Pai said that he "would have taken a different approach [to] mobile spectrum holdings," as "markets distorted by preemptive government dictates don't ultimately benefit consumers."[26] As Commissioner O'Rielly observed in dissenting from this "foolish" spectrum threshold policy, stakeholders do not yet have "a full understanding of what services will be offered, or any idea of how much spectrum is needed to achieve the capacity, speed and latency goals for particular bands," among other things.[27]

These remarks proved prescient as the race to 5G has already rendered moot the millimeter wave spectrum threshold adopted in the *Spectrum Frontiers Order*. Wireless companies are racing to 5G using many different spectrum bands. Verizon plans to deploy 5G in millimeter wave spectrum, but others are committed to their preferred frequency bands for 5G. T-Mobile and Sprint have asserted that their existing spectrum holdings advantage them in the race to 5G. T-Mobile's Chief Technology Officer has said that T-Mobile is ahead of Verizon and other carriers in committing to a nationwide 5G deployment, noting that it will deploy 5G on its recently acquired 600 MHz spectrum and that "[y]ou can deploy 5G on *any* frequency."[28]

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[24] Ajit Pai, Chairman, FCC, Remarks at the Mobile World Congress, Barcelona, Spain at 2 (Feb. 28, 2017) ("Pai Mobile World Congress Remarks"), https://apps.fcc.gov/edocs_public/attachmatch/DOC-343646A1.pdf.

[25] *Spectrum Frontiers Order*, 31 FCC Rcd at 8084 ¶ 189.

[26] *Id.* at 8280 (Statement of Commissioner Ajit Pai).

[27] *Id.* at 8282 (Statement of Commissioner Michael O'Rielly).

[28] T-Mobile Blog (emphasis original).

Sprint's Chief Technology Officer has declared that Sprint has "more mobile-ready 5G spectrum than any other U.S. carrier," noting that its 2.5 GHz band holdings "will be foundational for providing nationwide 5G coverage."[29] DISH plans to use its AWS-4 and Lower 700 MHz spectrum to build out its 5G-capable IoT network, "the first to be deployed in these bands anywhere in the world."[30] AT&T is considering multiple bands for 5G, including the 3.5 GHz band and the broader 3.4-4.2 GHz range.[31] So the spectrum "market" for 5G goes beyond the frequency bands in the *Spectrum Frontiers Order* and the additional bands in the *Spectrum Frontiers* pipeline, and this transaction will not impair competition by foreclosing access to spectrum for 5G.

The Commission's flexible spectrum use policies propelled U.S. global leadership in 3G and 4G. Other nations, by contrast, allocated specific spectrum bands for particular technologies. As Chairman Pai recently stated, "[i]nstead of mandating that a specific type of wireless technology be used in a particular spectrum band, the government left that choice to the private sector, which is better able to calibrate use to meet consumer demand. This enabled our wireless networks to evolve with technology, including the rollout of 4G LTE on a timeline that matched consumer demand."[32] The announcements by T-Mobile, Sprint, AT&T, and others that they will use a wide variety of bands for 5G underscore the success of this flexible use policy in making the United States the world leader in wireless innovation – and demonstrate why this transaction will promote rather than forestall 5G competition.

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[29] John Saw, *CTO Blog: Sprint, Qualcomm Technologies and SoftBank Accelerate 5G for 2.5 GHz*, Sprint Blog (May 10, 2017), http://newsroom.sprint.com/blogs/sprint-perspectives/sprint-qualcomm-technologies-and-softbank-accelerate-5g-for-2.5-ghz.htm. Sprint notes that Softbank and all of China's mobile operators use 2.5 GHz for LTE-TDD, and that a similar global ecosystem "ensur[es] that Sprint's deep 2.5 GHz spectrum is an early first-mover in the 5G ecosystem." *Id*.

[30] *See, e.g.,* DISH Interim Construction Notification at 4-5; Mike Farrell, Multichannels News, *Ergen: DISH Is Ready For 5G* (Feb. 22, 2017), http://www.multichannel.com/news/satellite/ergen-dish-ready-5g/411065; Diana Goovaerts, Wireless Week, *DISH Raising $1B For Wireless, Spectrum Plays* (Mar. 14, 2017), https://www.wirelessweek.com/news/2017/03/dish-raising-1b-wireless-spectrum-plays.

[31] AT&T Labs has experimental licenses "to test fixed 5G radio systems" including in the 3550-3700 MHz band. *See* Exhibit & Form 442, AT&T Labs Experimental License Application, ELS File No. 0119-EX-CN-2017 (Feb. 27, 2017). AT&T Services has an experimental license to test "the viability of spectrum in the 3.4-4.2 GHz and millimeter wave bands to support 5G and validating 5G system designs operating on that spectrum." *See* Exhibit 1 & Form 442, AT&T Services, Inc. Experimental License Application, ELS File No. 0085-EX-CN-2017 (Feb. 7, 2017).

[32] Pai Mobile World Congress Remarks at 2-3.

And, even in the millimeter wave context, more spectrum is on the way. The *Spectrum Frontiers Further Notice* proposed to extend flexible use service rules "to another 18 GHz of spectrum encompassing 8 additional high-frequency bands,"[33] including spectrum in the 24 GHz, 32 GHz, 42 GHz, 47 GHz, 50 GHz, 71-76 GHz, 81-86 GHz, and above-95 GHz bands. Chairman Pai has expressed his desire "to open up even more spectrum in the millimeter wave bands for 5G and other uses," noting recently that "[i]t's my intent to move forward quickly to do just that."[34] So rather than denying spectrum resources to a company willing and able to quickly put them into use, the better approach would be to quickly enable additional millimeter wave bands for wireless services including 5G.

The facts here magnify the arbitrary nature of the *Spectrum Frontiers* threshold, and demonstrate the lack of any legitimate competitive concern. For example, a simplified analysis that combines the Nextlink and Straight Path spectrum means that Verizon would hold 1250 MHz or more millimeter wave spectrum in 761 of the 3,234 counties in the United States, and Verizon would be over 1250 MHz in 594 counties.[35] But that "analysis" ignores that Nextlink has entered into 79 long-term de facto leases with Vivint, which controls that spectrum today and holds a bargain purchase option to purchase each of those leases for just one dollar.[36] The Vivint leases, which are capitalized on Vivint's balance sheet as an intangible asset as a result of the bargain purchase option,[37] cover 558 counties in 40 Basic Trading Area ("BTA") markets, including Houston, Seattle, Minneapolis, and Denver, accounting for 400 MHz in 34 BTA markets. The Vivint leases affect 120 Partial Economic Area markets including portions of Los Angeles. Verizon has no access to this spectrum while it is leased to Vivint, and Vivint is sure to exercise its dollar-per-lease option. Removing the Vivint-leased spectrum from Verizon's purported holdings drops the number of counties at or above the 1250 MHz threshold down to 401, with just 212 counties above 1250 MHz.[38] And Nextlink leases to other third parties additional millimeter wave-licensed spectrum that will be unavailable to Verizon.[39]

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[33] News Release, FCC, *FCC Takes Steps to Facilitate Mobile Broadband and Next Generation Technologies in Spectrum Above 24 GHz* (July 14, 2016).

[34] Pai Carnegie Mellon Speech at 8.

[35] The *Spectrum Frontiers Order* identified the spectrum threshold at 1250 MHz or more for secondary market transactions, *Spectrum Frontiers Order*, 31 FCC Rcd at 8083- 84 ¶ 189, but in the auction context it adopted a spectrum aggregation limit of more than 1250 MHz, *id.* at 8082-83 ¶ 187. The order contains no discussion of this discrepancy, and as noted in the accompanying text, there is a material difference between the two standards as applied here.

[36] APX Group Holdings, Inc., Form 8-K at 1 (Jan. 18, 2017).

[37] APX Group Holdings, Inc., Form 10-K at 29 (May 10, 2017).

[38] Exhibit 2 lists the amount of 28 GHz LMDS, 37 GHz, and 39 GHz spectrum that Verizon would hold in each county post-transaction in two ways: before Vivint exercises its bargain

In sum, this transaction poses no risk of competitive harm. The aggregation threshold omits multiple spectrum bands that U.S. wireless companies plan to use for 5G, and substantial amounts of additional millimeter wave spectrum will soon be available for 5G. The spectrum threshold is thus arbitrary and already a relic, and any application of it must account for these facts and other market realities as well.

VI. ADMINISTRATIVE MATTERS

A. Application of Section 310(b)(4) Foreign Ownership Declaratory Ruling

In 2013, the International Bureau issued a declaratory ruling concluding that it would not serve the public interest to prohibit a widely dispersed body of shareholders from holding aggregate foreign ownership in Verizon and its licensee subsidiaries and affiliates in excess of the 25 percent benchmark in Section 310(b)(4).[40] Straight Path and Verizon certify that to the extent necessary post-acquisition, Straight Path will rely on the foreign ownership declaratory ruling previously issued by the Commission to Verizon and its licensee subsidiaries and affiliates. Verizon and Straight Path also certify that they are in compliance with the terms and conditions of that foreign ownership ruling and the Commission's rules.

B. Request for Approval of Additional Authorizations

The authorizations identified in this application are intended to be a complete list that includes all of the licenses and authorizations held by Straight Path that are subject to the transaction. Straight Path, however, may now have on file, or may hereafter file, additional requests for authorizations for new or modified facilities related to the assets to be transferred to Verizon, which may be granted before the Commission takes action on the transfer of control

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purchase option and after Vivint exercises its bargain purchase option. Exhibit 3 lists by county the competitors that hold spectrum in these bands, including millimeter wave spectrum that is currently held by the FCC and will be made available to competitors pursuant to the *Spectrum Frontiers Order*.

[39] Further, if the Commission were to reinstate FiberTower's terminated RSA licenses as part of the AT&T-FiberTower application, Applications of AT&T Mobility Spectrum LLC and FiberTower Corporation for Transfer of Control of 24 GHz and 39 GHz licenses, File No. 0007652635 (Feb. 13, 2017) – despite having required Straight Path to return RSAs as part of its consent decree –Verizon would be at or above 1250 MHz in even fewer counties. *See* 47 C.F.R. § 30.5(c).

[40] *See Petition for Declaratory Ruling Granted, Verizon Communications Inc. on Behalf of its Subsidiaries Holding FCC Common Carrier Radio Licenses Seeks Foreign Ownership Ruling Pursuant to Section 310(b)(4) of the Communications Act, as Amended*, Public Notice, 28 FCC Rcd 16432 (IB 2013).

application. So the parties request that any Commission approval of the application filed include authority for Verizon to acquire control of the following: (1) any license or authorization issued to Straight Path during the Commission's consideration of the application and the period required for consummation of the transaction following approval; (2) any construction permits held by Straight Path that mature into licenses after closing; and (3) applications that are filed after the date of this application and that are pending at the time of consummation. Such authorization would be consistent with Commission precedent. And the parties request that the Commission's approval of the transaction include any facilities or authorizations that may have been inadvertently omitted.

C. Exemption from Cut-Off Rules

Pursuant to Sections 1.927(h), 1.929(a)(2), and 1.933(b) of the Commission's rules, to the extent necessary, the parties request a blanket exemption from any applicable cut-off rules in cases where Verizon files amendments to pending applications to reflect consummation of the proposed transfer of control. That way, amendments to pending applications to report the change in ultimate ownership of these licenses would not constitute major amendments. The scope of the transaction demonstrates that the ownership change would not be for any particular pending application, but as part of a larger transaction undertaken for an independent and legitimate business purpose. Grant of such application would be consistent with previous Commission decisions routinely granting a blanket exemption in cases involving similar transactions.

VII. CONCLUSION

Verizon is qualified to acquire and control the Straight Path Licenses, and it will put this spectrum to productive use to provide 5G and other products and services that will directly benefit the American public. The transaction creates no potential competitive harms. The Commission should promptly approve this transaction.